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ABSTRACT

With the United States' choice for future employment being "high skills or low wages," the challenge to business and industry is to build, in partnership with public agencies, a cohesive management system that would invest in three critical areas of the work force: building a strong foundation of basic skills to help noncollege-bound youth enter the work force; providing continuing education and training for workers; and building a better "second chance" training and education system for working-age youth and adults who face special barriers to employment. To meet this challenge, the National Alliance of Business (NAB) proposes that business and government in each state and local community develop a "work force investment system" that links existing training and education institutions in an effective partnership to build a highly skilled, high performance labor force. If such a system is to be real and permanent, it should be built on guiding principles such as ease of access, broad inclusiveness, public-private partnership, market base, and concerted action at the national, state, and local levels. A proposed work force investment system model for the future couples delivery system reform with a broader role in the labor market for that system. Such a system would be characterized by a common point or points of intake, individualized assessment of clients to determine their service needs, a form of case management to see participants through the system, and a common system of placement that employers could readily access. Present federal and federal-state programs could be integrated into such a program, and local businesses would take the initiative to structure local solutions to problems confronting the mainstream work force. This model is appropriate and could be attainable for the U.S. labor market. (This report describes several state work force investment systems and local programs as well as the Training and Enterprise Councils system in Great Britain.) (KC)

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BUILDING A WORKFORCE INVESTMENT SYSTEM

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National Alliance of Business

Building A Workforce Investment System for America

May 1992

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PREFACE

The National Alliance of Business prepared this paper, ***Building A Workforce Investment System for America***, to communicate a compelling vision of what the United States could do in each state and local community to ensure that we produce the most competitive work force in the world. The top industrialized economies are in transition and the quality of their work forces will be a major determinant of their success in the 21st Century. This period of history will provide the United States with unique opportunities for competitive advantages if we proceed with a clear vision and purpose.

The particular emphasis in this paper is on the development of skills in the American work force. Some would argue that an important component of economic success, if not the most important component, is the quality of a nation's work force. Each state and local community in the United States has a stake in the quality of its workers for economic stability and development, among both new entrants to the labor force and current workers. How we organize our policies and resources to continually improve the skills of our people will determine our future as a high productivity, high performance nation capable of maintaining growth in our standards of living.

If we are to be globally competitive in the future, we cannot rely on the practices of the past, which are often perpetuated more by their own bureaucratic momentum than by compelling results that benefit the society. It is our view that we can learn from hard-earned experience to shape the future clearly and to prepare for it in a more orderly fashion. We have attempted to capture the innovative strategies being implemented already in many states and local communities in this country to achieve these goals. We provide many options for discussion out of which new approaches can be developed and tailored to the unique needs of other states and communities which seek to establish workforce investment strategies.

Hopefully, this paper will generate serious discussions and actions regarding the most effective course for producing the levels of economic opportunity worthy of a great nation.

William H. Kolberg
President
National Alliance of Business

May 1992

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EXECUTIVE SUMMARY

We have entered an era of intensified global economic competition in which a nation's success is in large part determined by the quality of its labor force. The ability of the United States to succeed in the world economy, and thereby advance the living standards of all Americans, depends on how well we as a nation meet the ever increasing demand for high quality goods and services. These new competitive imperatives place a heavy burden on the skills of our individual workers.

However, we lag behind our competitors in building a high performance workforce. We have failed to adequately manage the considerable public and private sector resources for training and work-related education, and lack the mechanisms to focus services on those workforce problems that should be a priority in every state and locality in the nation.

The challenge to business and industry is to build, in partnership with public agencies, a cohesive management system at the state and local levels. Such a system would invest in three critical areas of the workforce:

- building a strong foundation of basic skills to make a smooth transition from school to work for non-college bound youth and others entering the workforce;
- providing continuing education and training opportunities for employed workers;
- and building a more coherent "second chance" training and education system for working age youth and adults who face special barriers to employment.

To meet this challenge, the National Alliance Business (NAB) proposes that business and government in each state and local community develop a workforce investment system that links existing training and education institutions in the effective partnership needed to build a highly skilled, high performance workforce. The idea of an integrated workforce investment system has been evolving throughout the history of training and work-related education programs in the United States. Programs have been consolidated, responsibility has shifted from the federal to the state and local levels and, increasingly, business has assumed a partnership role in program planning and oversight.

If such a system is to be real and permanent, the Alliance suggests certain basic guiding principles.

- A new workforce investment system should ensure ease of access to both workers and employers.
- The system should be broadly inclusive, encompassing the full range of training and education programs.
- The system should be based on a public-private partnership.

- The system should be market-based, responding to the requirements of the local economy.

- Realizing the system should be the result of concerted action at the national, state, and local levels.

The federal government has led the way with "Job Training 2000," a legislative proposal that would reorganize the local administration of federally-supported training and vocational education programs into "one-stop shopping" centers under the management oversight of the local Private Industry Councils (PICs). Yet the National Alliance of Business believes that, while such reform is desirable, progress need not await the enactment of new federal legislation.

This report details the initiatives individual states and localities have already taken under current legislation to begin building integrated workforce investment systems. It describes the vision one might propose to guide these current efforts: a comprehensive system managed locally by business-led Workforce Investment Councils. Finally, the report discusses Great Britain's new national system of Training and Enterprise Councils, the result of that nation's efforts to rationalize its delivery of training and work-related education services.

State Profiles

Locally-delivered education, training and labor market services are in large part funded by or through the states, under state or federal/state guidelines. To develop a cohesive, more responsive workforce investment system requires a major commitment at the state level. The report describes the experience of five states that have accepted this challenge: New Jersey, Oregon, Maine, Washington, and Massachusetts.

Each of these states has pursued its own path in building a new policy framework for workforce investment. The details vary, but there are certain basic features common to all five of these initiatives. In each of these states:

- The governor and the legislature decided that the state's workforce investment system would be a matter of high policy priority.

- To implement this decision, the state established a broad-based public-private commission to oversee state planning and goal-setting in the area of workforce investment.

- The state developed explicit goals that included some form of consolidated planning among human services agencies at the state level, and provisions for promoting and assisting integrated service delivery at the regional or local level.

- The new state systems are broadly inclusive, incorporating a wide range of training, work-related education and other human services.

In 1990, **New Jersey** inaugurated a Workforce Readiness system that reassigned and consolidated responsibility for workforce development programs within the state government. A Unified State Plan for Workforce Readiness, developed jointly by the relevant state agencies under the aegis of the State Employment and Training

Commission, now guides all programs in the system. The Commission is developing a proposed network of substate decision-making bodies to implement the plan through integrated service delivery at the local level.

Oregon enacted legislation in 1991 establishing a Workforce Quality Council charged with developing goals and a comprehensive strategy for improving the quality of its workforce. The Council has since adopted a goal that calls for world-standard comprehensive education and training for all students and workers and, to achieve this, a public-private partnership to direct and oversee a coordinated, non-duplicative delivery system. Locally, 15 broadly representative regional workforce committees are charged with implementing this plan through the development of regional strategic plans and service delivery agreements.

In 1987, **Maine** adopted six statewide human resource development goals. It established a comprehensive planning process to translate the goals into measurable objectives and annual plans of action, as well as a broadly representative Human Resource Development Council to develop the plans and oversee their implementation. Three of the six goals are intended to achieve coordinated management of the state's human resource development system. State-level coordination is reflected locally in a variety of new cooperative arrangements, including interagency implementation of the JOBS (Job Opportunities and Basic Skills) program and the targeting of resources in "Job Opportunity Zones" in the state's economically distressed areas.

The State of **Washington** enacted legislation in 1991 establishing a Workforce Training and Education Coordinating Board with broad public and private sector representation specifically charged to coordinate and increase the efficiency and responsiveness of the state's workforce education and training system. The legislation gives the Board far-reaching authority in the areas of planning, program review and evaluation, program coordination, standards-setting and linking the workforce training and education system more effectively with the schools, business and potential clientele. The Board is responsible for developing a mechanism for assuring coordination at the regional level.

In 1988, **Massachusetts** enacted legislation to assist the governor in establishing and overseeing an effective and efficient workforce development system. The legislation created the Massjobs Council and a network of Regional Employment Boards for this purpose. The Council has broad authority to set system-wide policies and priorities, to coordinate inter-program planning and to assess the system's overall performance. The Council is responsible for building the capacity of the Regional Employment Boards to carry out their local planning and oversight responsibilities.

Local Profiles

Local communities have undertaken a wide variety of approaches to building more cohesive local workforce investment systems. In some cases, they have acted on their own initiative; in others, they have responded to leadership at the state level. Some localities have emphasized broad-based collaborative planning, focusing program resources on common objectives and priorities. In others, joint planning is combined with some form of coordinated service delivery. Collaboration addresses either a broad range of clientele or specific target groups.

Of the six models profiled in this report, four -- Indianapolis, San Diego, Kenosha, and Philadelphia -- emphasize the collocation of services in a version of the one-stop shopping approach. The specific configuration and target group focus varies from one community to another.

The **Indianapolis** Network for Employment and Training (the city's Private Industry Council or PIC) operates three full service offices that register, interview, and refer to a wide range of on-site services, all working age individuals seeking job-related assistance. Depending on their need and eligibility, individuals may receive training under the Job Training Partnership Act (JTPA), JOBS, the Food Stamp employment and training program, and the literacy programs, in addition to unemployment insurance claims processing, and labor exchange and related services administered by the Job Service.

The **San Diego** Consortium and Private Industry Council has administered the JTPA Title III dislocated worker training and rapid response programs through a one-stop center for laid-off workers and their employers. In 1991 the Consortium undertook a joint venture with the San Diego Community College District and the State Job Service to broaden the center's clientele and the array of services available at the center. The center now offers community college education programs and the labor exchange services to the general job-seeking population.

In **Kenosha,** a fully integrated and consolidated public welfare delivery system is operated through the collocation of the financial assistance and welfare-to-work services of 11 public and private agencies in a single, readily accessible facility under unified supervision. A continuum of services is provided, under case management supervision, in which public welfare recipients have on-site access to services, including job search assistance, counseling, family services, basic skills and occupational training. With the addition of the Job Training Partnership Act system and the Job Service labor exchange services, the facility is evolving from a one-stop public welfare assistance center to a community-wide employment and training system.

The **Philadelphia** Single Point of Contact program creates a partnership among the Philadelphia Private Industry Council, the county welfare assistance office, and the Job Service to administer the JOBS program. The three partners combine their services in each of the city's 19 district welfare offices to provide clients with an integrated system of recruitment, intake, assessment, referral to placement or training services, and case management follow-up.

Two of the six models -- Massachusetts's Regional Employment Boards and the Portland (Oregon) Investment -- concentrate on joint interagency planning to manage services more efficiently.

In each of **Massachusetts's 15 JTPA service delivery areas,** a Regional Employment Board (replacing the Private Industry Council) has been established with authority to review and comment on -- and, in some cases, approve -- the plans for the Job Training Partnership Act programs, vocational education, literacy training, JOBS, and other training and work- related education programs. Authorizing legislation also gives the Boards the authority to set standards for program review. Through the process of setting these standards, the Boards are seeking to build a consensus among local agencies concerning policy priorities and delivery system reform.

The **Portland Investment** is a multi-agency strategic plan that provides a continuum of integrated services to address the needs of at-risk children and youth. The program offers prenatal care and services to youth through the age of 21 to help them succeed in the job market. Beginning in the eighth grade, for example, eligible youth receive a structured combination of applied academics, counseling, work experience and job placement through the collaboration of the school system, the Private Industry Council, and the business community.

A Model for the Future: Workforce Investment Councils

While each state and community will follow its own unique course in building a more competitive workforce, the National Alliance of Business believes that an objective vision of a model workforce system could be helpful to guide these independent efforts. The proposed **workforce investment system model for the future** couples delivery system reform with a broader role in the labor market for that system.

The states have a critical role to play in this model. They would provide leadership in encouraging and assisting local collaboration. They would create incentives to further that process and remove obstacles posed by conflicting requirements and definitions across state and federal-state programs. States have demonstrated that this can be accomplished best through reinvigorated, interagency planning at the state level under the aegis of a broad-based, public-private council.

While a new workforce investment system would be locally based and oriented, its establishment responds to a compelling national priority. Thus, the federal government's role in focusing national attention on the need for system reform is indispensable. The federal government would also provide the "seed money" and technical assistance that may be necessary to move the system-building process forward at the local level.

The key component of the model would be a network of business-led **Workforce Investment Councils** to be established in every labor market in the country. The Councils, when fully realized, would overcome the inefficiency of our current fragmented and frequently duplicative approach to local labor market program administration by negotiating and overseeing the operation of a more efficient, integrated system of service delivery. Within a framework of federal and state policy leadership and support, the Councils would negotiate among existing federal, state, and local training and work-related education programs, a system that would be characterized by:

- a common point or points of intake;
- individualized assessment of clients to determine their service needs;
- a form of case management to see participants through the system; and
- a common system of placement that employers could readily access.

Among the federal and federal-state programs that could be integrated into the local workforce investment systems would be: employment and training programs for the disadvantaged, dislocated workers and national target groups under the Job Training Partnership Act; the Employment Service; the JOBS education and training program under the Family Support Act; vocational rehabilitation; vocational and technical education; adult basic education; student financial assistance for enrollees in postsecondary occupational training programs, and economic development.

In addition, through the Councils, local business leadership would take the initiative to structure local solutions to problems confronting the mainstream workforce. The Councils would serve as intermediaries in their communities between employers and schools in negotiating the development of apprenticeships and other arrangements to facilitate the transition from school to work for non-college bound youth. The Councils would serve as local advocates for increased and continuing investment by employers and their employees in training and work-related education and would effect the necessary linkages among employers, workers, and local education institutions, such as community colleges, vocational technical institutes, and private proprietary schools.

The potential roles and functions of a WIC are outlined in the chart below.

WORKFORCE INVESTMENT COUNCILS
ROLES AND FUNCTIONS *

	FUNCTIONS					
PROGRAM	Provide labor market information	Review, incorporate individual plans into area-wide plans	Develop, oversee integrated employment /training delivery system	Direct program responsibility	Promote, assist with training & technical assistance	Certify for federal and state training assistance
JTPA youth, adult training	●	●	●	●		●
Other JTPA programs	●	●	●			●
Employment service	●	●	●	●		●
JOBS welfare training	●	●	●			
Vocational education	●	●	●			
Adult basic education	●	●	●			●
Private proprietary schools	●	●				●
Community colleges	●	●				●
Economic development agencies	●	●				
School-to-work and other business-education collaboration	●	●			●	●
Firms' internal work organization & training	●				●	

** The councils will for the most part negotiate their scope of functional responsibility locally. The functional distribution presented here represents an optimum arrangement; the actual range of functions will vary from one council to another.*

The Private Industry Councils are the logical starting point for the development of local Workforce Investment Councils. The scenario envisioned is an evolutionary

process through which the Private Industry Councils would negotiate new administrative arrangements with existing agencies, schools, and employers under current statutory authority. However, some localities may decide to establish totally new organizations for this purpose.

Great Britain's Training and Enterprise Councils

Other industrialized nations have long-standing policies of administering their labor market programs through networks of local public-private boards or councils. One of the most recent and ambitious initiatives has been undertaken by Great Britain with the establishment of a national system of Training and Enterprise Councils (TECs).

In a historic change in the management of its employment and training programs, Great Britain in 1988 shifted responsibility for the planning and delivery of these youth and adult programs from the government to a new system of local business-led TECs.

The scope of responsibility of the TECs is wide-ranging. In addition to taking on responsibility for categorical public employment and training programs, they have broad flexibility to integrate these programs into coherent plans of action designed to meet local needs. The TECs are further encouraged to go beyond existing government programs to meet the community's general training and business development requirements by promoting increased private sector investment in training, and assisting in small business development. This radical transformation in the governance structure from a centralized, government-administered series of independent programs to locally-based, private sector-managed integrated system reflects a business-government consensus about the critical importance of the nation's investment in its workforce.

Basic funding is provided by the government under performance contracts with the TECs. As independent companies, TECs have the authority and are encouraged to raise and receive additional public and private funds.

Conclusion

In this report, the Alliance argues that the United States cannot respond meaningfully to the "high skills or low wages" challenge in the absence of a workforce investment system in each state and local area in our country.

As we have illustrated, a number of states and localities have reached this conclusion and are in the process of building such systems. In other industrialized countries systems are already in place. Each of these initiatives reflects to some degree the basic principles that should guide the building of a comprehensive workplace investment system in each of our states and localities.

We have proposed one model that is based on these principles that is attainable and appropriate for American labor markets. Our purpose, however, is not to prescribe a single formula for all communities. Rather, it is to urge that business, government, educators and citizens at the state and local levels begin the process of system-building as a matter of high priority.

INTRODUCTION

As we approach the end of the century, America is entering a period of unprecedented economic challenge from the industrialized nations of Europe and Asia and, with the emergence of new markets in Eastern Europe and the former Soviet Union, the economic opportunities have also never been greater. Yet, we seem to be losing ground to our European and Asian competitors. The reasons are complex but virtually all analysts agree that a major factor -- some would argue **the** major factor -- is an erosion in the relative quality and productivity of our work force.

Does this mean that American workers no longer have the capacity to meet world class standards as they have throughout our history? The outstanding performance of our well-trained troops in Desert Storm provides an eloquent answer to that question. We are losing our competitive edge because we have failed to provide our front line workers with the basic education and occupational skills they need to perform effectively in a marketplace that demands goods and services of higher quality, available in greater variety and more rapidly than ever before. As one blue-ribbon commission recently observed, America seems to be opting for a low-skill, low-wage future for its citizens.

One doesn't have to look at our international balance of payments to recognize the magnitude of the problem. In every community across our country, economic development is being impeded because the skills of the available work force do not fully measure up to the demands of today's workplace. As a result, jobs are lost, tax revenues are reduced, and economic decline becomes inevitable. All of us have a stake in the quality of our community's work force -- as employers, as workers, as taxpayers.

How can we turn this situation around? There is an inclination to look to Washington, D.C. for solutions. While the federal government does have a role to play, ultimately answers must be found at the state and local levels where decisions concerning the hiring and training of the work force are made.

There are three basic groups that are responsible for shaping the skills of workers in every community: the schools; employers; and employment, training, and work-related education programs that are funded largely by the federal government. On a daily basis, throughout the nation, these institutions are making an enormous investment in the development of our present and future work force. Yet, the results are disappointing. Why?

Part of the answer is that, while these organizations and agencies are all dealing with a single work force in a given community, they operate largely in isolation from one another. As a nation, we are investing in the skills of our work force, but we lack a workforce investment **system.**

What does this mean in practical terms in each of our communities?

The local school system is likely to be substantially outspending its German and Japanese counterparts, per capita, but -- in contrast to their

foreign competitors -- local employers are only willing to hire high school graduates for low-paying, dead-end jobs. Both the schools and employers know that they have a problem **but the community lacks a mechanism that can serve as a broker between the schools and the business community in setting standards for graduates and arranging for the transition from school to work.**

Some employers in the community are investing in the training of their employees so that they can keep pace with the latest changes in technology and work processes, but these employers are few in number. They are likely to be the area's largest firms, and the training provided is probably confined to the professional and management staff. Yet, in that very same locality, there are community colleges and public vocational-technical institutes that can be geared to provide customized training for an employer's mainline work force. **However, there is no entity in the community that serves as an advocate for increased employer investment in the skills of their work force or that can help bridge the gap between the needs of employers — particularly small employers — and the full utilization of the available local training resources.**

In the community, there are also likely to be a multiplicity of federal and state-funded employment, training, and education programs that provide assistance for individuals who face special barriers to employment: the economically disadvantaged, welfare recipients, workers who have been displaced from their jobs, individuals with physical disabilities. Yet, each of these "second chance" programs (there over 60 funded by the federal government alone at an annual cost of $18 billion) operates locally as an independent entity with its own recruitment, assessment, and placement facilities. **We lack a coherent system at the local level for setting goals and priorities for these public programs and for linking them to each other and to employers to provide an efficient, non-duplicative system for meeting local goals and priorities.**

What is the bottom-line result of this haphazard, inefficient process in each of our communities? **Employers** are unable to meaningfully influence or to easily access the myriad number of schools, government agencies, and organizations that are supposed to educate and train their future workers. **Students**, too, are frustrated when their high school education fails to provide them with adequate skills and a clear career path into the labor market. **Workers**, employed and unemployed, seeking training or retraining to enhance their skills, are daunted by having to negotiate their way through a maze of programs and institutions with differing standards, eligibility requirements, and relevance to their career goals. All of us, as **taxpayers** and citizens, are investing in schools and programs but are failing to reap the dividends of economic growth and full employment, nationally or in our local communities.

There is a better way.

The National Alliance of Business, historically business' link with the public sector in responding to workforce development problems, believes that we can manage our investment in human resources more effectively. The Alliance has undertaken a program of research concerning the future direction we must take as a nation to achieve these changes. In this report, ***"Building A Workforce Investment System for America,"*** we present our initial findings. We propose that business and government in every state and community begin the process of building a workforce investment system that will help our

existing training and education institutions focus their efforts more efficiently on developing a highly skilled, high performance work force.

While federal legislation may eventually be desirable, the Alliance believes that enormous progress can be achieved under current law, and at existing budget levels. Building upon the network of federally-mandated, business-led Private Industry Councils that currently exist in over 600 cities and counties throughout the country, we advocate a locally-negotiated, evolutionary process that would bring greater coherence, efficiency, and market sensitivity to they way in which we manage our investment in the education and training of our current and future work force.

The report goes beyond theory and documents the experience of five states and six local areas that are already in the process of building workforce investment systems. No two are alike, but all of these ongoing efforts flowed from shared dissatisfaction in business and government with the status quo. The cases represent not only a variety of options that involve more effective management of a community's resources, but also various approaches to linking these resources, strategically, with the locality's education and economic development policies and the needs of workers and employers. The report also describes how, in one country, Great Britain, such institutional changes have already been realized with the establishment of a new national system of locally-based, private sector-managed Training and Enterprise Councils with broad responsibility for stimulating and coordinating training and small business development.

In issuing this report, the Alliance's purpose is not to prescribe a single formula for all communities. Rather, it is to urge that, using the state, local, and international experience described in the report as a stimulus for fresh thinking and creative initiative, business, government, educators, and citizens in every community in the nation, begin the process of workforce investment system-building as a matter of high and urgent priority.

CHAPTER I

THE CASE FOR A NEW WORKFORCE INVESTMENT SYSTEM

It has been amply documented that a significant enhancement in the quality of our labor force will be a critical factor in our ability to succeed in the highly competitive international economic environment of the 1990s and beyond, while advancing the living standards of all Americans.

The Commission on the Skills of the American Workforce -- the latest in a series of blue-ribbon commissions to reach this conclusion -- put the challenge before us in stark terms:

> We cannot remain a high wage low skill nation. Either America will do whatever is necessary to create high performance work organizations and the high skills needed to sustain them, or the country will continue to slide toward low skills and the low pay that goes with them.

New competitive imperatives -- demands that goods and services be of higher quality, available in greater variety, more rapidly and more conveniently for the consumer -- all place a greater burden on individual workers and the way work is organized. As the Commission pointed out, our competitors are responding to these changing requirements by moving towards new high performance work organizations in which workers are given greater degrees of autonomy and flexibility. The evidence suggests that, while our competitors are building such a high performance work force, we are not. To close that gap, we face three basic challenges:

- Raising the basic skill levels of our labor force entrants by improving the performance of our educational system and enabling non-college bound youth to make the transition from school to work;

- Providing continuous education and training for employed workers during the course of their work lives; and

- Making available "second chance" education and training opportunities for those working age youth and adults who are unemployed, underemployed, or outside the economic mainstream altogether.

The Current Environment: A Management Gap

As a nation, we have yet to come fully to grips with these challenges. Resource levels are only part of the answer. Our most critical deficiency is the way in which we manage -- or fail to manage -- the considerable resources already at our disposal in attacking the critical problems before us.

Education Reform and the School-to-Work Transition. President Bush focused national attention on education and, with the Nation's Governors, set national goals to guide its reform -- but these goals remain to be translated into significant changes at the grass roots. Dollars can help but, as the President made clear in launching his education strategy, AMERICA 2000, we already spend as much per student as our international competitors. We need to find new ways to use our resources more effectively, particularly for the large majority of our students who are not college-bound. Few secondary schools offer these young people either the standards, skills, or the counseling and placement assistance that will enable them to qualify for and enter gainful employment. American business has a keen interest and has demonstrated its readiness to play a partnership role in filling this gap.

But we lack a mechanism at the state and local levels that can serve as a broker between the schools and the business community in setting standards for and managing the school to work transition.

Continuing Workforce Education and Training. We do not have a tradition of continuing education and training of workers in our country. Some American firms invest substantially in the skills of their workers; most do not. It is estimated that $30 billion is spent annually by employers on formal training, but this is concentrated in a small number of mostly large firms and is devoted primarily to professional and managerial training. The American Society for Training and Development estimates that most training by private employers occurs in about one-half of one percent of America's 3.8 million companies.

In most communities, a potential training infrastructure of community colleges, and private and public vocational schools is already in place that could be more effectively linked to local employers, large and small, to help meet the specific training needs of their employees. The National Assessment of Vocational Education (NAVE) found that one of the principal characteristics of high quality postsecondary vocational programs was the presence of active linkages with employers.

At present, there is no local entity to advocate the concept of continuing education and training for the workforce and to help bridge the gap between the needs of employers and the full utilization of the training resources available in the community.

Second Chance Training. The federal government invests more than $11 billion annually in training and employment services for individuals who face special barriers to employment. These include the economically disadvantaged, welfare recipients, dislocated workers, and individuals with physical or mental disabilities. These expenditures are considerably less per capita than those of many of our trading partners. In 1987, for example, we invested 0.9 percent of Gross Domestic Product (GDP) in labor market

programs compared to 5.9 percent invested in Denmark, 4.8 percent in Ireland, 3.7 percent in France, 4.2 percent in Sweden, and 7.2 percent in the United Kingdom.

However, it is questionable whether even these limited funds are being deployed in the most efficient manner. This federal investment in the work force currently represents a patchwork of more than 60 separately administered, largely uncoordinated programs. In addition, each state and many localities fund related, special purpose programs for these same target groups.

In 1988, for example, the governor of Michigan's Cabinet Council on Human Investment reported that in Michigan, "eleven state agencies and departments administer more than 50 programs that provide training and related services to adults" but that the programs lacked a unified strategy for meeting the demands of the marketplace. The Council concluded that, "such a strategy must build upon the unique strengths of each program" and "must also build partnerships between and among the partners and players." In a similar vein, the governor of New Jersey's Task Force on Employment Policy reported in 1987 that "New Jersey's current employment and training system is a large, complex and diffuse network. At a minimum, it entails 63 programs....The existing employment and training system lacks the degree of coherence, integration and uniform effectiveness that will be needed in the coming years. Its rich variety of programs, while offering many options, presents both participants and employers with a confusing array diffused among many different, and often poorly connected, organizations."

As the Job Training Partnership Act (JTPA) Advisory Committee summed up the situation in its 1989 report Working Capital: Coordinated Human Investment Directions for the 90's, "In this era of budget stringency, particularly, we should no longer accept a fragmented, uncoordinated approach to the delivery of human services."

There is general recognition that we lack a coherent system for setting human resource goals and priorities at the community level and for linking employment and training and education programs with each other and with local employers to deliver services efficiently to meet these goals and priorities.

The Challenge to Government and Business. Thus, as a nation, we are faced with a paradox: competitive pressures are placing unprecedented demands on our work force in an environment of severe budgetary constraints and, yet, at the same time, we are not managing efficiently those resources that are already at our disposal for investing in the future productivity of our labor force.

The challenge to business and industry is to build, in partnership with public officials, a cohesive management system at the state and local levels that will achieve significant progress in each of three key areas of human resource investment: building a strong foundation of basic skills for workforce entrants through education reform; providing lifelong learning opportunities for employed workers; and streamlining the delivery of employment and training services for youth and adults who face special barriers to employment.

Bridging the Management Gap: A Workforce Investment System

In this report, the National Alliance of Business (NAB), historically business' link with the public sector in responding to workforce development challenges, urges that we find ways to manage our investment in human resources more effectively. Specifically, we propose that business and government in each state and locality develop a workforce investment system that will help our existing training and education institutions focus their efforts more efficiently on building a highly skilled, high performance work force.

System Reform: An Evolving Process. The idea of an integrated workforce investment system has been evolving throughout the history of training and work-related education programs in the United States.

It is often forgotten that the original thrust of the Comprehensive Employment and Training Act (CETA) of 1973 was not public service employment but the coordination of existing job training programs under the aegis of locally elected officials. In the 1980s, specific provisions for program coordination and linkages in CETA's successor legislation, the Job Training Partnership Act (JTPA), as well as similar provisions in amendments of the authorizing legislation for vocational education, the Employment Service, and welfare employment programs, all signaled Congress' intent that these programs be planned and delivered on a coordinated basis. Congress has also indicated its intent that business should be an active partner with government, through the Private Industry Councils (PICs), in guiding the local administration of workforce investment programs. Established originally under CETA and given broader operational authority under JTPA, the PICs have subsequently been written into other federal statutes and, in many communities, serve as the point of linkage among programs in local labor markets.

In recent years, individual states, cities, and counties have taken the initiative under current legislation to forge new administrative arrangements that connect existing human service programs in a variety of ways in order to provide more efficient and "user friendly" service delivery to their citizens. At the same time, other nations -- our competitors in the global marketplace -- recognizing the centrality of a highly trained work force for their economic survival, have sought to rationalize their delivery of education and training services, placing particular emphasis on the partnership between business and government in this process.

Guiding Principles for the Future Evolution of a Workforce Investment System. However such a system evolves in this country -- whether under new federal legislation or, administratively, under current law -- states and local areas will need the flexibility to factor into their new management systems the unique politics and economic and social problems of their communities. At the same time, experience to date in efforts to strengthen the administration of workforce training and education programs, both here and abroad, suggest that certain basic principles should guide our next steps if progress is to be real and permanent:

- A new workforce investment system should ensure ease of access to both workers and employers. Programs should share common

and clearly identifiable points of entry and placement, replacing the current confusing program maze that confronts individuals and employers seeking to connect with available services.

- The system should be broadly inclusive. Ease of access is only meaningful if workers and employers are exposed to the full range of training and education resources in the community. It is thus important that the system, in one way or another, encompass all local programs, even if, for non-government funded programs, linkages are for information sharing purposes only.

- The system should be based on a public-private partnership. As the ultimate consumers of the product of a workforce investment system, the local employer community has a vital interest in the quality of the training and related services being provided, as well as in the efficient utilization of program dollars. Thus, business must have a substantive role -- whether through the PICs or some other local instrumentality -- in both the planning and management of these programs.

- The system should be market-based. The education -- both academic and vocational -- and the training provided should be relevant to the requirements of the local economy. This refers both to the level and scope of skills being taught and the specific occupational objectives selected for vocational programs. There are various ways in which market requirements can be incorporated into a workforce investment system: planning training programs on the basis of accurate and up-to-date labor market information; setting local educational standards based on employer input as has been done nationally by the Secretary's Commission on Achieving Necessary Skills (SCANS); enabling eligible trainees to purchase services in the marketplace through the use of vouchers.

- Achieving a new workforce investment system will require concerted action at the federal, state, and local levels. Federal leadership will be needed to stimulate broad public support for state and local program reform and to facilitate that reform by removing or relaxing federal barriers to administrative coordination. State action will be important since most education and training programs are funded by or through state governments. States can establish an interagency organizational and policy framework that will provide localities with both the policy guidance and technical assistance needed to bring programs together at the operational level. Within such a positive environment, there is then the most critical -- and, in the United States, largely unmet -- need: a local mechanism that will convene and manage a cohesive workforce investment system at the community level.

Asserting Federal Leadership: Job Training 2000

The federal government can assert leadership in the process of building workforce investment systems at the state and local levels by: removing regulatory and administrative barriers to program coordination; offering financial incentives and technical assistance to encourage the process; and using the "bully pulpit" to advocate and promote collaborative action. However, the most direct assertion of federal leadership is through legislative action to reform the existing system.

In 1992, President Bush took that latter course and announced a major new legislative initiative -- Job Training 2000 -- that would establish a system of integrated service delivery of vocational education and training programs in every community in the United States. In his fiscal year 1993 budget document, the President indicted the current management gap in strong terms:

> Services are disjointed, administration is inefficient, and few individuals -- especially young, low-income unskilled people -- can get good information on program quality, job opportunities or skill requirements. Eligible populations overlap, and business has only limited input to the system....Programs must be improved and delivery streamlined to meet the demands of the changing work place.

The President proposes to reorganize the local administration of about 60 federally-supported training and vocational education programs totaling about $18 billion by replacing the current multiple entry points for these programs with "skill centers" that would serve as a one-stop entry point for training and related services available in the community. The skill centers would be designated by, and operate under the management oversight of, the local Private Industry Councils. The PICs would have the authority to ensure that all federally funded training and education programs in the community are delivered in a coordinated and non-duplicative fashion. The legislation would also establish a performance based certification system for federal training programs in which funding is based on program outcomes. To afford participants maximum flexibility, training provided under the Job Training Partnership Act, the Carl D. Perkins Vocational and Applied Technology Education Act, the Food Stamp training program, and Job Opportunities and Basic Skills (JOBS) welfare training programs would be administered through a voucher system. The PICs would be responsible for the certification process (in conjunction with state agencies) and for managing the voucher system. To oversee the legislation's implementation, a Federal Vocational Training Council of agency heads and a National Private Sector Advisory Board on Vocational Training would be established.

This federal initiative reflects the basic principles that we believe should guide the future evolution of a workforce investment system:

- It assures **ease of access** by replacing dozens of entry points now in each community with common points of entry;
- It is **broadly inclusive:** the current range of individual training and placement services for the job-ready unemployed and the disadvantaged would be incorporated into a single system;

- It is managed by local **public-private partnerships;**
- It is **market-based:** funds will be used for training vouchers; and
- It will require **concerted federal, state, and local action** for successful implementation.

The Administration has proposed legislation to implement the Job Training 2000 concept. Given the number of programs covered by the proposal, extended hearings will be required in both the House and Senate before the proposal can go forward. In an abbreviated 1992 election year session, it is unlikely that those hearings can be completed and final action taken before adjournment. Thus, the legislative debate on the shape of a future workforce investment system will probably continue into the next session of Congress, in 1993.

Stimulating State and Local Change: Possible Models for Building a Workforce Investment System

The National Alliance of Business believes that the time is now right to carry forward the process of building a workforce investment system in every state and locality in the United States. Federal leadership, as exemplified by Job Training 2000, helps to show the way toward the future, and, as political consensus evolves, federal legislative reform may eventually be possible. However, progress need not await the enactment of new federal legislation. It is our conviction that some of the basic components of a workforce investment system are already in place and that much can be accomplished with individual leadership, administratively, at the state and local levels utilizing these existing institutions. Indeed, many states and local communities have already taken dramatic steps in this direction.

In this report, we will describe some of the best examples of these ongoing state and local initiatives. Although no two are alike, all flowed from a dissatisfaction with the status quo. We will also outline the National Alliance of Business' view of a possible goal for these current efforts: a future comprehensive system -- managed locally by business-led Workforce Investment Councils -- which would enable communities to integrate both public and private training and education resources to achieve communities' workforce development objectives. Finally, we will indicate how such an institutional change is already being realized in Great Britain which, three years ago, instituted a new national system of Training and Enterprise Councils.

These examples are not put forward as a limited portfolio from which policymakers should be expected to choose but, rather, are intended as a stimulus for debate and creative solutions geared to the special conditions of each community.

We recognize that the process will be evolutionary and will proceed unevenly around the country. In the short term, progress in some communities may be limited to an improved information base and closer communication

among workforce development programs. In others, more aggressive coordinated action may be taken but limited to specific goals or target groups.

It is imperative, however, that a process for system-building be put in place and carried forward as a matter of high priority. Whether we move forward under new federal legislation or under existing legislative authority, the states have a critical role to play in developing a policy framework and creating the preconditions for cooperation at the local level.

A number of states, profiled below, have already begun this process.

CHAPTER II

A STATE FRAMEWORK: SELECTED STATE PROFILES

In the United States, locally-delivered education, training and labor market services are, in large part, funded by or through the states, and operate under either state or federal/state guidelines. Thus, a major commitment will be needed by the nation's governors and state legislatures to ensure the development of a cohesive, more responsive workforce investment system.

At the state level, linkages between programs can be effected through a variety of approaches ranging from information sharing to formal agreements between administering agencies. Statewide priorities, cutting across program lines, can be articulated and state and local program performance standards can be set. Within a context of state-level strategic cooperation, building a comprehensive integrated workforce investment system at the local level becomes both a logical and feasible next step. However, state governments will need to be convinced that by establishing the preconditions for a new, streamlined local system, they are not simply creating another administrative layer. Rather, they must be persuaded that accepting the challenge of system reform will result in increased cost-effectiveness in service delivery and will substantially upgrade the quality of the work force with benefits to the locality, and also to the state as a whole through employment-generated tax revenues and lowered unemployment insurance and welfare expenditures.

An increasing number of states have accepted this challenge and have made strengthening the work force a high priority on their policy agendas. Most of these initiatives were undertaken only within the past few years and some as recently as a few months ago. Each of these states is pursuing its own timetable and unique course of action but they share a vision of a new, more efficient and effective system to serve the working people and employers of their areas and they have made an impressive start in that direction.

The following are brief profiles of some of these efforts.

New Jersey's Workforce Readiness System

Background. The State of New Jersey has embarked upon the establishment of a new, statewide "workforce readiness system." Acting upon the recommendations of an interdepartmental Task Force on Employment Policy appointed under the previous state administration, the state legislature established, in January 1990, a State Employment and Training Commission with the assigned mission of creating:

> ....a state based and locally delivered employment, training and education system which enables government, business, education and labor to provide New Jersey with a high skill workforce to ensure the

state's residents with a high standard of living and its employers with the means to compete effectively in the global economy.

New Jersey Governor James Florio appointed 34 members to the Commission. The members include cabinet officers from the Departments of Commerce and Economic Development, Community Affairs, Education, Higher Education, Human Services and Labor, representatives of both houses of the state legislature, a local chief elected official, as well as representatives from the private sector, organized labor, and the general public. The Commission also serves as the State Job Training Coordinating Council under the federal Job Training Partnership Act (JTPA).

State-level changes. During its first year, the Commission was charged by the governor with the development of recommendations to simplify and integrate the state's workforce readiness system. A report, developed and approved by the governor in December 1990, provides a blueprint for the restructuring of service planning at the state level and service delivery at the local level.

In its report, the Commission concluded that state programs were organized and administered according to tradition rather than logic. To maximize efficiency and reduce duplication, the report provided that programs with similar functions and missions would be administered by the same state departments. As a result, responsibility would be reassigned and consolidated from 64 distinct programs operated by six departments of government into 15 program areas administered by three departments. The three departments that will provide services are: Education, Higher Education, and Labor. The three other departments, that formerly had administered some of the workforce readiness programs -- Community Affairs, Commerce and Economic Development, and Human Services -- would, henceforth, be viewed as program "consumers" and would be expected to refer their clients to programs administered by the three "producer" departments and to represent the interests of their constituencies in the planning process.

The key instrument for implementing the new system is the Unified State Plan for the Workforce Readiness System, developed by all six departments under the aegis of the Commission. The document provides guidance and direction to all employment, training, and related education programs in New Jersey. It outlines broad, overarching goals and objectives to improve the state's workforce readiness system based on an assessment of the labor market. It provides for the specific steps that the departments will take to reach the goals and objectives, including the deployment of resources and the establishment of program linkages. Most importantly, the plan describes the procedures that the state departments will utilize to encourage local implementation.

The plan is based on a two-year cycle but is viewed as a living document, subject to modification on the basis of new statewide priorities, changes in the labor market or the ongoing assessment of the plan's implementation. The first Unified State Plan -- with specific goals, objectives and timetables -- was submitted to the governor by the Commission in March 1992 and departments must develop implementation strategies by July 1, 1992.

The plan's three basic goals are to:

- Provide a workforce readiness system that is responsive to the lifelong learning needs of individuals;
- Make the workforce readiness system relevant and valuable to employers' human resource needs; and
- Develop integrated program processes that respond to the needs of employers and clients.

A total of 16 specific operational objectives are listed under the goals.

Impact at the local level. In its plan, the Commission recognized that a key factor in the plan's successful implementation would be the establishment of local counterparts of itself -- "Local Analogues" -- to stimulate the development of cooperative arrangements at the local level. Specifically, the plan envisions that:

> The Local Analogue will play a decisive role in implementing the Unified State Plan and in determining whether the distribution of resources and responsibilities among local institutions meets the needs of the labor market. The Local Analogue will need to redress the problem of employment, education, and training systems that function largely independent of one another. Incentives must be established to encourage workforce readiness structures to transcend their historically narrow roles to collaborate as if they were a single system designed for the good of the customer.

The Commission, through its member agencies and interest group representatives, will develop recommendations for substate decision-making bodies and present these recommendations to the governor and legislature by the end of calendar year 1992. This network of local decision-making bodies will develop plans encompassing all local employment, training and related education programs and will be linked to the state planning system. The Commission's plan also provides for the development, by state interagency work groups, of practical technical assistance tools that will facilitate local program coordination. This includes work on: common intake, testing, and assessment methods; a standardized system of interprogram referral; an improved labor market information system; and approaches to linking local workforce readiness systems with various local human service support systems, such as day care and transportation.

Oregon's Workforce Quality Council and Oregon Benchmarks

Background. In July 1991, Governor Barbara Roberts signed the Oregon Workforce Quality Act. The Act established the Oregon Workforce Quality Council with the mission of developing goals and a comprehensive strategy for improving the quality of Oregon's work force consistent with "Oregon Benchmarks," the state's 20-year strategic plan. The plan, adopted in 1990 by the Oregon Progress Board after broad public consultation, contains 160 measurable benchmarks that will serve to guide progress in improving the state's human, environmental, and economic well-being through the year 2010. The benchmarks include specific interim and long-term education, training, and employment goals.

The Oregon Workforce Quality Council consists of 21 members. Fourteen members are appointed by the Governor: five representing business; five representing labor or community-based organizations; and one member each representing the state legislature, locally-elected officials, local education, and the general public. The other seven are comprised of the governor and the heads of six state agencies: economic development, public instruction, human resources, labor and industry, community college services, and higher education.

Subcommittees of the Council include the State Job Training Coordinating Committee, which has assumed the duties of the State Job Training Coordinating Council, and the Occupational Information Committee, which takes over the responsibilities of State Occupational Information Coordinating Committee. Three members of the Council have overlapping responsibility: one serves on the state council on vocational education, and two serve on the state's apprenticeship and training council.

State-level changes. The Council began work in October 1991. It has adopted an ambitious agenda in which system reform will play an important role. The Council's goals are broad:

- Provide comprehensive education and training programs for students and workers that equal the highest international standards;
- Promote continuous public and private investment in improved management practices, competitive production processes and worker training;
- Ensure the equitable distribution of quality services statewide; and
- Achieve the Oregon Benchmarks for education and training.

To achieve these goals, basic improvements are envisioned in the way workforce investment services are managed in Oregon. Thus, the Council's goals also include the following:

- Coordinate all workforce-related education, training, and employment programs to eliminate needless duplication, and assure the efficient and effective provision of these services; and
- Develop the capacity of, and provide significant opportunity for, business and labor to direct the development and delivery of state education and training policy, programs, and standards.

The Council has adopted specific strategies to achieve reforms in each of these policy areas. In terms of management reforms, the strategies include the following:

- The coordinated delivery of all workforce-related education, training and employment services at the local level . This includes the development of regional strategic plans and service delivery agreements by broadly representative regional workforce

committees in 15 regions of the state. The regional committees will be chaired by private sector members and chartered under guidelines adopted by the Council.

- Development of a coordinated government, education, labor and business strategy to make education and training services more responsive to employer needs. The strategy will be based on a comprehensive survey of Oregon's public and private employers.

- At the direction of the council, cross-functional interagency teams are developing new approaches to coordinated workforce program management at the state level. A team representing five federal program areas is working on the development of an integrated planning and budgeting model, and a team representing a dozen state agencies working with assistance of facilitators from IBM is conducting a feasibility study for the development of a shared information system. The team will identify common service definitions and performance measures for all workforce-related education, training and employment services.

Impact at the local level. The principal local impact of the Council's leadership has been the establishment of the regional workforce committee structure and the development of statewide guidelines for the formation of the committees. Regional planning groups are preparing charters for the review and approval of the Council during May and June 1992, with all regional committees expected to be fully operational by July 1, 1992. The regional committees will be responsible for the development of regional strategic plans and service delivery agreements, as well as for providing advice to the Council on regional and local workforce development needs.

Maine's Human Resource Development Council

Background. During the first few months of his administration, Governor John McKernan concluded that continued growth of Maine's economy depended on better utilization of its human resources. On July 1, 1987, he announced six human resource development (HRD) goals for the state, established a comprehensive HRD planning process to translate these goals into specific measurable objectives and plans of action, and formed a 30-member Human Resource Development Council to develop and oversee the implementation of the annual HRD plan. The Council is made up of representatives of business, labor, education, and government, including the commissioners of the state's six human resource agencies, and leaders of the state legislature. The first annual HRD plan went into effect on July 1, 1988.

State-level changes. Central to the new HRD planning process was a recognition that far more effective coordination of service planning and delivery would be required. As the first plan indicated:

> Traditionally, state agencies have provided specific services to meet specific client needs. The work force of the 1990s will require a more holistic approach in order to insure that all individuals have access to a full array of services that will allow them to reach their

fullest potential. Maximum coordination of services will be the key to achieving this objective.

Of the six HRD goals, the first three are concerned with coordinated management of the state's HRD system. They are:

- Strengthen the multi-agency cooperative approach to the planning of all the state's HRD programs.
- Coordinate human resource development planning with economic development planning.
- Improve delivery and coordination of programs designed to meet the education, training, and employment needs of welfare recipients so that welfare dependency can be reduced.

In the three annual HRD plans that have been implemented thus far, a number of initiatives have been undertaken in support of these goals. Individual state agency operational plans are now reviewed by the state HRD Council. Among the review criteria is a requirement that the agency plan "show evidence that the activities in the plan are coordinated with other HRD activities so as to lead to an integrated, comprehensive HRD system." "Job Opportunity Zones" were identified in areas of the state suffering from economic distress and high unemployment. HRD agencies cooperatively planned the targeting of education and training resources to support economic initiatives in these areas. In support of the goal to reduce welfare dependency through coordinated, nonduplicative efforts, legislation was adopted to implement the JOBS program under a division of effort between the Departments of Human Services and Labor. The two agencies developed a statewide system of case management, support services, pre-training, education, training and employment services.

Impact at the local level. In implementing the governor's HRD goals, state agencies have achieved a wide range of coordinated arrangements at the local level, notably cooperative planning for Job Opportunity Zones and the interagency implementation of the JOBS program. State level agreements among the Departments of Education, Labor, and Human Services have also resulted in joint action at the community level to meet the education and training needs of at-risk youth. In addition, an electronic resource directory has been installed and made available to 33 public and private agencies throughout the state.

Washington's Workforce Training and Education Coordinating Board

Background. In May 1981, Governor Booth Gardner signed legislation establishing the Workforce Training and Education Coordinating Board, a state board with wide ranging authority to coordinate and increase the efficiency and responsiveness of the state's workforce education and training programs. The Board was created as a result of a six-month study of the state's training system by a blue-ribbon Advisory Council on Investment in Human Capital appointed by the governor in May 1990. The Advisory Council's conclusions were reflected in Section 1 of the statute that created the new Board:

> ...the state's current workforce training and education system is fragmented among numerous agencies, councils, boards, and committees, with inadequate overall coordination. No comprehensive strategic plan guides the different parts of the system. There is no single point of leadership and responsibility. There is insufficient guidance from employers and workers built into the system to ensure that the system is responsive to the needs of its customers.

The Workforce Training and Education Board was created, in the words of the statute, to "make our work force education and training system better coordinated, more efficient, more responsive to the needs of business and workers and local communities, more accountable for its performance, and more open to the needs of a culturally diverse population." The Board has nine voting members appointed by the governor with the consent of the state Senate: three representatives of business; three representatives of labor; the superintendent of public instruction; the executive director of the state board for community and technical colleges; and the commissioner of the employment security department (in the State of Washington, the Job Training Partnership Act programs, the Job Service, and unemployment insurance are under the jurisdiction of the employment security department). The non-voting chairperson is appointed by the governor. In addition, the Board has a non-voting member who represents racial and ethnic minorities, women and people with disabilities.

State-level changes. The Board, which has been in existence since December 1991, is still in its very early stages of development. However, it will have extensive authority under the legislation to achieve its assigned purpose: "to provide planning, coordination, evaluation, monitoring, and policy analysis for the state training system as a whole...." The workforce training system is broadly defined and includes: secondary and postsecondary vocational education institutions, skills centers, technical colleges, community colleges, Job Training Partnership Act programs, adult basic education, and apprenticeship. It also includes linkages with community-based organizations that administer training or literacy programs and private vocational schools.

To carry out this mandate, the legislation explicitly provides the Board with an extensive array of policy and programmatic tools. Among the most potentially significant is the authority to:

- Develop and maintain an analytically-based state comprehensive plan for workforce training and education, specifying goals, objectives and priorities for the system's training system;
- Regularly review the operation of the state training system for consistency with the plan;
- Make recommendations to the legislature on the budgets of the system's operating agencies to assure that they are consistent with the plan;
- Provide for coordination among the system's operating agencies at the state and regional levels;

- Establish standards for data collection by the operating agencies, including a required common data core;
- Administer, every two years, scientifically-based outcome evaluations of the state training system and, every five years, scientifically-based net impact and cost-benefit evaluations;
- Provide for the development of common course description formats, reporting requirements and definitions for the system's operating agencies;
- Facilitate transfer of credit policies and agreements among the system's institutions and between these institutions and private training institutions;
- Make recommendations to state education authorities concerning basic skill competencies and essential core competencies for K-12 education;
- Facilitate school-to-work transition programs in industries and occupations without significant apprenticeship programs;
- Establish and administer programs for marketing and outreach to businesses and potential program participants; and
- Encourage and assess progress toward the equitable representation of minorities, women and the disabled in the state training system.

Separate state councils for job training, vocational education, and adult education continue to exist but their work must be consistent with the state comprehensive plan for workforce training and education.

Impact at the local level. While it is too early to determine the new legislation's impact at the local level, there is a clear charge before the new Board to provide for coordination at the regional level to be supported through local-level input. The study that recommended creation of the Board recommended that one of its initial tasks should be the establishment of a "mechanism or process for regional coordination." Such a mechanism will play a significant role in the development of the state's comprehensive planning process for workforce training and education.

The Board, under its planning, evaluation, monitoring and standards-setting authority, will contribute significantly to building a more cohesive and efficient workforce development system that operates at local, regional, and state levels. As the newly appointed Board chair noted:

> Washington State has an exciting opportunity to create a new system that will educate and prepare a competitive workforce for the next century. The state's rapidly changing demographics and economy demand that we rethink and restructure the way our job preparation system works. With the creation of the Workforce Training and Education Coordinating Board, Washington joins the leading states in the country paying serious attention to critical workforce issues.

The Massjobs Council

Background. In Massachusetts, during the period 1985-87, a series of studies undertaken by local employment and training officials, state legislators and senior state administration officials concluded that it was necessary to streamline the administration of the state's 35 separate job training, placement and employment-related education programs. The studies found that the programs were run largely in isolation from one another with different service delivery procedures and methods of performance measure.

In June 1988, the Massachusetts state legislature enacted a bill designed to assist the governor to establish and oversee an effective and efficient workforce development system. The legislation created two basic instrumentalities for achieving this objective: at the state level, the Massjobs Council and, at the local level, a network of Regional Employment Boards (REBs). (The REBs are discussed in greater detail in Chapter III). The Council is chaired by the Lt. Governor and co-chaired by a business leader appointed by the governor. The Council's membership is broadly representative of the private sector, labor, local government, education, the state legislature, and the key agencies that comprise the workforce development system.

The Massjobs Council was given a sweeping mandate to serve as "chief architect" for the state's employment and training system. The following programs were included in the legislation that established the Council's purview:

- Job Training Partnership Act programs;
- the Job Service;
- the Federal welfare-to-work JOBS program and the state Employment and Training (ET) Choices programs;
- Federal and state adult basic education programs;
- Federally-supported vocational and technical education programs;
- State-supported technical education programs;
- Employment-related community college programs;
- Employment-related secondary education programs; and
- All other federal and state-funded training, employment-related education and placement programs.

However, as a result of the state's economic slowdown of the late 1980s, administrators' attention shifted from building a new integrated system to concern with budgetary reductions and program cutbacks. The Massjobs Council's ability to affect the system was significantly curtailed.

With the onset of a new administration in 1991, the management of the state's workforce development system once again became a subject of policy concern. The Council's enabling legislation was amended and the Council was designated to serve as Governor William Weld's principal advisory body for workforce development policy.

State-level changes. The Council is assigned three spheres of activity in overseeing the state's workforce development system:

- Strategically planning the use of program resources in an integrated, cohesive manner;

- Determining the effectiveness of each of the programs in the system and the effectiveness of the system as a whole; and

- Making the system more responsive to business and trainees at the local level through the REBs.

To carry out these duties, the legislation gives the Council authority to: establish system-wide policies; reconcile and develop priorities among individual agency goals; standardize and coordinate individual program planning and funding processes; and assess the system's responsiveness to the needs of client populations. The Council reports to the governor and state legislature on an annual basis. The report includes: the system's short- and long-term policy priorities; a strategic plan for carrying out these priorities; a proposed integrated budget for the system; and an assessment of the system's past year's performance.

With these tools in hand, and under its renewed and revised charter, the Council has undertaken the objective of transforming the state's existing job training and employment-related education efforts from a series of free-standing programs into a coordinated, responsive and easily accessible workforce development system.

To establish a foundation for implementing this new mission, the Council is in the process of carrying out four basic tasks that are scheduled to be completed in the summer of 1992:

- Development of an integrated budget that encompasses all of the state's workforce development programs;

- Development of initial specifications for an information system that can track the outcomes and performance of all workforce development programs;

- Development of a plan to create common outcome measures for all workforce development programs; and

- Development of a comprehensive strategy to incease the capacity of the REBs.

Impact at the local level. The Massjobs Council is intended to oversee a state/local workforce development system with the 16 REBs serving as the Council's local counterparts and operating under the Council's policy direction. A basic component of the Council's strategy to build a workforce development system in Massachusetts is a comprehensive effort to increase the capacity of the REBs.

CHAPTER III

INTEGRATING SERVICE DELIVERY: LOCAL PROFILES

The increasing scarcity of public funds, coupled with a recognition of the urgency of their workforce problems, has led local communities to undertake a variety of approaches to building more cohesive local workforce investment systems. In some cases, they have acted on their own initiative; in others, they have responded to leadership at the state level. In each case, the initiative taken has been tailored to meet local priorities as well as constraints imposed by local legal or political barriers.

In some instances, the emphasis is on collaborative planning, and focusing program resources on common objectives and priorities. In others, joint planning is combined with some form of coordinated service delivery, ranging from arrangements for cross-referral to physical collocation in one-stop shop facilities with common points of intake, assessment and placement. Collaboration may address a broad range of workforce problems or may focus on specific target groups. The approaches may or may not involve the creation of new, coordinating administrative entities.

The six models discussed in this section illustrate different choices among these options that communities have made in attempting to achieve more efficient management of their local investment in the future of their work force. In four cases -- Indianapolis, San Diego, Kenosha, and Philadelphia -- the emphasis has been on the collocation of services in a version of the one-stop shopping approach although the specific configuration and target group focus has varied from one community to another. Two of the six models -- Massachusetts's Regional Employment Boards and the Portland (Oregon) Investment -- emphasize joint interagency planning as a vehicle for achieving more efficient management of services.

None of these are static models, however. They are all designed to adapt to changing requirements and, in some cases, are evolving toward broader coverage and functional responsibility.

Massachusetts's Regional Employment Boards

Background. Since the inception of the Job Training Partnership Act in 1982, the Commonwealth of Massachusetts's Executive Branch has, from time to time, called upon the state's fifteen PICs to take responsibility for implementing a number of non-JTPA employment and training programs. These have included: the training and placement functions under the Employment and Training (ET) Choices program for welfare recipients; the Refugee Education and Employment Program; the Commonwealth Futures Program for school dropout prevention; and several adult and workplace literacy education programs. The PICs' assigned role in each case was similar to their role under JTPA: plan approval, allocation of funds, performance standards, and monitoring.

In 1988, the state legislature substantially broadened the role of the PICs in the local administration of workforce investment programs and renamed the PICs, "Regional Employment Boards." With their broadened program coverage and policy support at the state level, the REBs have the potential leverage for building comprehensive local workforce investment systems in the communities they serve.

Programmatic Coverage. The 1988 legislation provided that the REBs would "oversee and provide policy guidance" for the following employment, training and education programs, in addition to those noted above for which they were already responsible:

- Vocational education plans and grants;
- Community college programs (short-term);
- Adult basic education;
- Bay State Skills Corporation (entry-level training);
- Training and youth programs for public housing residents;
- Targeted assistance grants to refugees;
- Comprehensive offender employment resource system; and
- Minority employment project.

Delivery System Changes. While the legislation significantly increased the programmatic coverage of the REBs, the authority of the REBs over the newly-added programs was narrower than it was for JTPA and the other programs previously placed under their jurisdiction. In the case of the new programs, the REBs' role involved "reviewing programs prior to implementation" and the submission of their comments and recommendations (positive or negative) to the agency submitting the proposal or plan. Negative comments by a REB must be addressed in writing by the proposing agency before the program can be initiated or renewed within a REB area by the program's state funding agency.

Thus, the REBs have two levels of authority over training and education programs in their regions: approval authority, largely for employment and training programs, and review and comment authority, largely for work-related education programs.

The authorizing legislation gives the Boards the authority to set the standards and objectives against which programs in their regions will be reviewed and approved. It is through the process of setting standards and objectives for their regions, that the Boards can build an interagency consensus concerning policy priorities and delivery system reform.

The Boards are still in the process of realizing their full potential. Ultimately, under the statewide integrated workforce investment system that is being developed in Massachusetts, the Boards will operate as private-sector led "Boards of Directors" working with locally-elected officials to set policy and provide oversight for all workforce development programs in their jurisdictions.

The Boards are the local counterparts of the state Massjobs Council and are subject to policies established by the Council. As noted in Chapter II, the Council is in the process of carrying out a major effort to build the capacity of

the REBs to function effectively as full partners with the Council in the state system. This effort includes: providing the REBs with improved information on the supply and demand for training in their areas; developing better and more uniform information on program outcomes and performance; and providing technical assistance to the Boards to enable them to make well-informed decisions on local allocation of resources and choice of service providers.

The Portland (Oregon) Investment

Background. In 1984, a group of community leaders in Portland, Oregon, including the chairman of U.S. Bancorp, the mayor, Portland's school superintendent, and a member of the City Council concluded that a broad community effort was needed to attack the problem of youth unemployment by reducing the high school dropout rate and significantly enhancing the quality of young labor force entrants. To address the problem, they formed the Leaders Roundtable that included the city's political, business, and education leadership, organized labor, the Urban League, and the chair of Portland's PIC. Members were selected who could make major policy making and funding decisions about youth employment and education programs. In 1986, the Roundtable adopted a ten-year plan, the Portland Investment, designed to achieve the structural changes necessary to accomplish three objectives:

- Reduce the number of school dropouts;
- Increase the employability skills of youth; and
- Provide increased access to jobs, especially for low income and minority youth.

The Portland Investment represents a local, integrated approach to workforce investment that focuses on a specific, critical target group -- low-income and ethnic minority youth -- and emphasizes strategic interagency planning focused on achieving the eventual employability of that target group.

Programmatic Coverage. The Portland Investment is a strategic plan that provides for a continuum of services to address the needs of at-risk children and youth (pre-natal to 21). The plan incorporates all of the programs and services in Portland that bear upon the problems of youth that cause them, eventually, to be at risk in the job market. These include education, training, social services, and the juvenile justice system. Portland Investment programs are administered and funded by a variety of agencies working together including the PIC, the Portland School District, Multnomah County, City of Portland, United Way, Urban League, and the Business Youth Exchange of the Chamber of Commerce.

Delivery System Changes. Leaders of the city's major youth and family-serving agencies are signatories to the Leaders Roundtable Master Agreement to implement the Portland Investment plan. The plan provides for modifying Portland's youth programs as necessary and integrating them into a continuum of services to bring the city's at-risk youth into the economic mainstream. Where gaps exist, new programs are developed. The plan focuses on four stages of program intervention: prenatal through grade five; middle school; high school; and out-of-school, ages 14-21. Program interventions involve

preventive strategies for the younger children and remedial strategies for the older ones. Beginning in the eighth grade and continuing through high school, programs developed as a result of the Portland Investment plan, provide eligible at-risk youth with preparation for the world of work through structured combinations of applied academics, counseling, work experience, and job placement upon graduation. This sequence of activities involves close collaboration in program delivery between the school system, the Private Industry Council, and the business community.

The first five years of the Portland Investment plan focused on programs. The second half of the ten-year plan is focused on taking the key programmatic elements that have resulted in positive outcomes for students and implementing these on a broader, systemic basis. The initiative is called "Partners for a Caring Community." The intent is to deliver a seamless system of services for families and children, from prenatal forward. The goal is 100 percent graduation from high school with employability skills by 1996. The impact is county-wide, involving several school districts and all sectors of the community -- education, employment, housing, transportation, health, family services, recreation, public safety, and religious organizations.

Indianapolis Network for Employment and Training

Background. In 1989, the Indianapolis Private Industry Council changed its name to the Indianapolis Network for Employment and Training (iNET). It remained a private tax exempt corporation, with volunteer business and community leaders serving as its board of directors, but the name change reflected iNET's decision to begin a systematic process of weaving together disparate employment and training programs into a single, integrated delivery system. An Indiana state policy to integrate job training, retraining, and employment services under the direction of the state's 16 private industry councils provided the impetus for this change. Today, the iNET system emphasizes ease of access and tailoring services to meet the needs of both employers and job seekers. While comprised of separately funded and authorized programs, the system projects a single image to the community. iNET is also characterized by its policy of active outreach into the community and its effective use of marketing and public relations to establish a high profile for the agency in the Indianapolis area.

Programmatic Coverage. iNET's three (Marion County) offices offer services under the following federal programs that have been integrated into the iNET delivery system:

- JTPA Title II-A/B training and employment services for economically disadvantaged youth and adults.
- JTPA Title III training and employment services for dislocated workers.
- Employment Service labor exchange and related services, including administration of the Targeted Jobs Tax Credit (TJTC), funded under the Wagner-Peyser Act.

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- Applicant academic and vocational assessment, jointly funded by JTPA, Wagner-Peyser, and JOBS.
- Unemployment insurance claims processing using federal/state funds.
- Training under the JOBS program.
- Training under the Food Stamp program.
- Literacy programs using Department of Education and JTPA funds.
- Economic development/job creation using state training funds.
- Veterans' programs under several federal statutes.

Delivery System Changes. Based on market demand in Indianapolis, the community saw a clear need to provide a focal point for the area's workforce investment. After years of developing successful public-private partnerships, helping job seekers develop skills and employers to hire workers, iNET moved aggressively to adopt a one-stop concept. In this process, however, iNET's purpose continued to be to advance the long-term employability and economic self-sufficiency of present and potential Indianapolis area workers by meeting employer workforce needs.

iNET operates three full service offices strategically located in different parts of the city. At each office, all working age individuals seeking assistance are introduced to service options, interviewed and referred to appropriate on-site service staff who work with them to:

- Register their skills, experience, and employment preferences on a state-wide computer system for possible match to job openings;
- Apply for unemployment benefits;
- Use iNET's self-service Job Resource Center;
- Participate in regularly scheduled resume preparation and interviewing techniques workshops;
- Receive vocational, career, and personal counseling; and
- Access special programs for economically disadvantaged youth and adults, Food Stamps and AFDC recipients that provide comprehensive assessment and counseling services, academic upgrading, occupational skills training and placement assistance.

In addition to the client service provided in their three offices, iNET locates personnel in each of the city's high schools, where they assist school personnel with dropout prevention, remediation and work maturity training. iNET staff are assigned to five of the city's shelters, where they work with homeless individuals to mainstream them into the employment and training system once basic needs are stabilized. iNET personnel also participate in staffing the Enterprise Zone office, which combines business development and human development in the city's newly established enterprise zone.

iNET makes a portfolio of services available to Indianapolis employers. Combining its funding and staff resources, iNET is able to market these services at no cost to employer users:

- Computer listing of job openings and matching with job seekers;
- Screening assessment and referral of qualified job applicants;
- Specialized applicant recruiting assistance;
- Local labor market, wage, and benefit information for use in human resource planning;
- Consultation on unemployment insurance compensation;
- Technical and financial assistance to set-up in-house training programs;
- Central access to graduates of job training programs;
- Customized downsizing assistance including on-site workshops, employee counseling, labor market information, job search training, unemployment insurance, retraining and education programs; and
- Assistance in meeting affirmative action requirements.

San Diego Career Center

Background. Since 1984, the San Diego Consortium and Private Industry Council has administered its JTPA Dislocated Worker Program through its Re-employment Center. At the Center, services have been provided to both laid-off workers and firms facing layoffs or plant closures. In 1991, in an effort to broaden its array of services, the Consortium initiated a joint venture partnership between the Reemployment Center, the San Diego Community College District and the California Employment Development Department (the State agency responsible for the Job Service) to establish the San Diego Career Center. The Center, which opened in the fall of 1991, is a one-stop employment services center designed to provide a comprehensive range of services for both laid-off workers and for the general job seeker population.

The need for the San Diego Career Center surfaced nearly two years ago. In reviewing its long-range strategic plan, the San Diego Consortium and Private Industry Council determined that the projected recession combined with declining defense spending would have dramatic effects on the local labor market. It was concluded that the Re-employment Center would not be able to handle the anticipated flow of clients at its existing location.

In addition to the anticipated increase in the number of laid-off workers, the consortium also expected that many of these individuals would find that their skills were no longer marketable and that these laid-off workers, particularly those facing a career change, would need a thorough assessment of their skills.

Rather than seek funding to develop its own assessment program, the Consortium turned to the San Diego Community College District, which already had in place a successful, in-depth assessment component and proposed a joint venture. The Consortium also met with local Employment Development Department area administrators to determine their interest in partnership and their ability to contribute the Job Match computer system, which includes statewide job listings and enables individuals to match their skills and desired work locations with existing openings.

All parties agreed that the consolidation of services would prove beneficial to the clients they would jointly serve.

Programmatic Coverage. The Career Center has succeeded in combining the resources of three major programs in the San Diego area:

- Employment and training and rapid response services under the JTPA Title III Dislocated Worker Program;
- Labor exchange and related services of the Job Service; and
- Education programs of the local community college.

The 24,000 square foot facility is conveniently located in the Kearny Mesa area of San Diego. Staff located at the Career Center include approximately 25 from the San Diego Consortium & Private Industry Council Re-employment Center, 22 from the community college district and three from the Employment Development Department. The Center includes three classrooms, a laboratory equipped with 32 personal computers, word processors for resume preparation, training rooms, and a telephone room where job seekers can phone potential employers. During its first year of operation, more than 5,000 individuals are expected to be served at the Career Center.

Delivery System Changes. The Career Center is an example of the development of comprehensive, integrated service delivery as an evolutionary process that is driven by basic commitments to full and accessible services for clientele and cost-effectiveness in delivering these services. Building upon the success of the Reemployment Center as a one-stop service facility for laid-off workers and their employers, the San Diego PIC sought to broaden the services available to these dislocated workers and, at the same time, widen the Center's clientele to embrace other workers, employed or unemployed, who are seeking assistance in finding and qualifying for job opportunities and employers seeking qualified workers.

The Center's services are tailored to meet the individual needs of each client. All clients are assessed to determine whether, in terms of education, skill levels and work experience, their skills are marketable in the San Diego labor market. If they are, the client is referred to existing job openings through the Job Service's computerized Job Match system. This may be accompanied by instruction in job search techniques, including interviewing and resume writing. Dislocated workers who are not readily employable may be referred to JTPA retraining programs or education programs offered by the community college. They may also receive support services including transportation or child care referral. Other unemployed workers or individuals seeking to upgrade or broaden

their skills may be referred to on-site community college courses in computer/office skills, General Educational Development (GED) certificate preparation, or basic skills/literacy training.

The Center markets its services to employers who are seeking workers and to firms facing layoffs. To firms that are hiring, the Center offers assistance in recruiting personnel through its computerized system and the screening of applicants to meet firms' hiring specifications. For employers that anticipate or are experiencing layoffs or closings, the Center provides comprehensive, tailored programs that may include the following services:

- Convening sessions with management and employee representatives to formulate layoff plans;
- Meeting with the firm's workers to explain the Center's services; and
- Development of a customized service package to assist the workers in finding employment.

By combining resources, the Career Center partners are able to assist those seeking training, education and employment as well as those seeking employees or forced to downsize staff with limited funding dollars. The total operational budget for the Career Center is projected at slightly more than $3 million, of which $2 million is provided through state administered programs.

Building on its successful opening of the San Diego Career Center, the San Diego Consortium & Private Industry Council has recently been awarded a grant for nearly $450,000 to establish three additional Assessment Centers in partnership with the Employment Development Department and Grossmont-Cuyamaca, Southwestern and Mirra Costa community college districts. The center will provide many of the same services available at the San Diego Career Center, but on a smaller scale.

Kenosha County (Wisconsin) Job Center

Background. Building on experience gained in earlier welfare-to-work pilot programs, Kenosha County established, in 1990, a fully integrated and consolidated public welfare delivery system. The hallmark of the program is the collocation and integration of the economic assistance and welfare-to-work services of eleven public and private agencies in a single facility under unified supervision. The facility -- the Kenosha County Job Center -- is located in a shopping mall on the south side of the city of Kenosha. As a single site, readily accessible by public transportation and replacing program sites scattered throughout the county, the Center greatly reduced the cost and inconvenience of program participation. While the Job Center focuses on serving participants in the JOBS program, it holds the promise of extending the "one-stop shop" facility's services to other client groups.

Since 1988, Job Centers have been established in seven localities in Wisconsin.

Programmatic Coverage. The Job Center brings together the resources of the following agencies that each perform a unique role in the Job Center's JOBS delivery system:

- County Department of Social Services;
- Goodwill Industries of Southeastern Wisconsin;
- Wisconsin Job Service: JOBS unit and Employment Security (labor exchange) unit;
- Professional Services Group, Inc.;
- Gateway Technical College;
- SER - Jobs for Progress;
- LJJ - Associates in Management Services;
- County Child Support Agency;
- Southeastern Wisconsin Private Industry Council;
- Kenosha Homecare; and
- Children's Service Society of Wisconsin.

The specific functions of each of these agencies in the Job Center system are outlined in Chart A (page 28).

Delivery System Changes. Agency collocation at the Job Center goes well beyond simply locating several agencies in a single building. The intent is to provide a continuum of services for clientele that closely links receiving public assistance with the active involvement of the client in achieving work supported self-sufficiency. In the integrated system, the functional expertise of the 11 collocated agencies are blended in the following manner.

The data for the public assistance applicant are entered into a computer system and eligibility and benefits for all major assistance programs are calculated automatically. A JOBS case manager does the JOBS intake and the applicant undergoes an interagency orientation by the end of the first week. The participant then begins a 23-week, on-site program designed to meet federal and state welfare reform requirements by providing job search/placement services for those who are employable and employability development services for those who need further assistance to qualify for employment.

The Center's JOBS program provides sequential services including: motivational classes, job search skills training, vocational exploration, in-depth assessment, and development of an individualized employability plan for each participant. For those needing further preparation for work, basic education, skills training, and work experience services are provided. A key component in this process is ongoing case management by teams, composed of one economic support specialist, two JOBS case managers, and a Job Service worker, who work at the same work stations, share common telephone lines, and are cross-trained. An automated case management system facilitates ongoing client tracking. The teams can also draw upon on-site child care and other support services.

With the addition of the Southeastern Wisconsin Private Industry Council and the Job Service's labor exchange service in late 1991, it is expected that the Center will evolve from an integrated public assistance delivery system to a community-wide employment and training resource. These two programs along with the JOBS program will share a single point of entry, cross-training

of staff, and joint marketing of programs. It is hoped, as the Center's briefing document suggests, that this "will establish the Center as the one place where programming can be packaged to meet the employment and training needs of employers and applicants alike" and that it "will make services more understandable and accessible to both job seekers and employers by minimizing the bureaucratic maze."

CHART A

KENOSHA COUNTY JOB CENTER

Agencies and Functions

Kenosha County Department of Social Services
The Economic Support Division

Economic Support Services
AFDC
Food Stamps
Medical Assistance
General Relief
Anti-Fraud Unit
Fiscal Unit

Gateway Technical College

Customized Training Coordination
Academic Counseling
Vocational Skills Education

Professional Services Group, Inc.

Vocational and Academic Assessment
Individual Psychological Assessment
Vocational Exploration Activities

Southeastern Wisconsin Private Industry Council, Inc.

Job Training Partnership Act programs and services

Wisconsin Job Service

JOBS Unit
Job Development
Placement Services
Job Search Assistance
Employment Security Unit
Labor Exchange Function for the Community

Goodwill Industries of Southeastern Wisconsin, Inc.

Orientation
Case Management Services
Support Services
Motivational and Job Seeking Skills Workshops
Reconciliation - Adjudication Services
Community Work Experience (CWEP) Coordination
Child Care Coordination
Special Transportation Services
Employer Incentive Brokering
Facilities Management
Administrative Support Coordination

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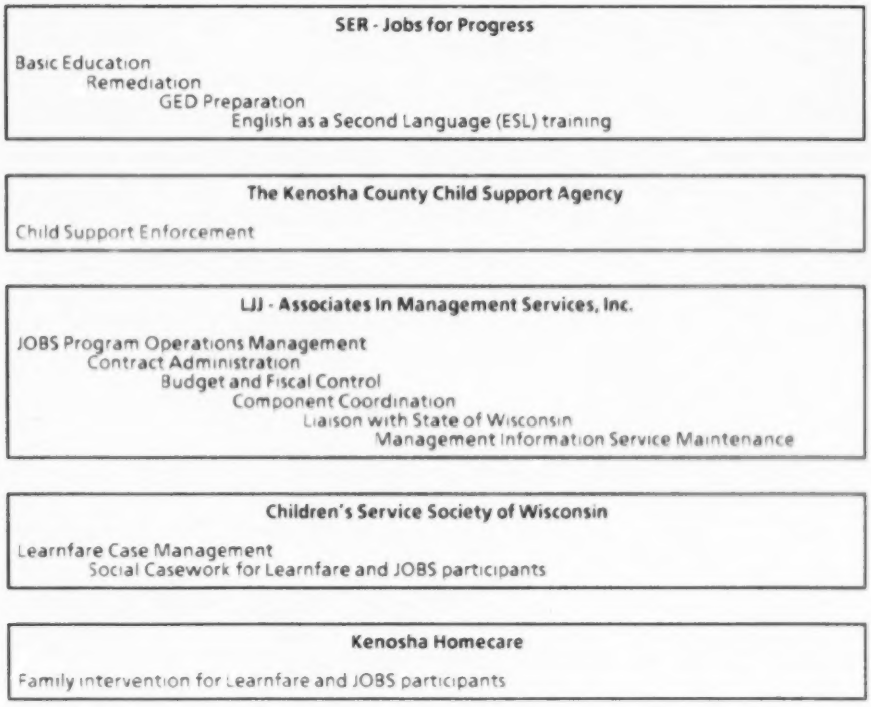
SER - Jobs for Progress
Basic Education
Remediation
GED Preparation
English as a Second Language (ESL) training
The Kenosha County Child Support Agency
Child Support Enforcement
LJJ - Associates In Management Services, Inc.
JOBS Program Operations Management
Contract Administration
Budget and Fiscal Control
Component Coordination
Liaison with State of Wisconsin
Management Information Service Maintenance
Children's Service Society of Wisconsin
Learnfare Case Management
Social Casework for Learnfare and JOBS participants
Kenosha Homecare
Family intervention for Learnfare and JOBS participants

Philadelphia Single Point of Contact

Background. In 1987, the State of Pennsylvania undertook, on a demonstration basis, an experimental approach to delivering employment and training services to welfare clients. The state's Departments of Public Welfare and Labor and Industry worked together to coordinate the state's JTPA system with state and federal welfare funds to establish the Single Point of Contact (SPOC) demonstration projects in areas throughout the state. The basic thrust of the SPOC approach was to take full advantage of the existing training and placement expertise in the JTPA and Job Service systems in the process of moving the state's AFDC program toward an increased emphasis on the welfare-to-work transition.

As a result of the SPOC program's success, it is now serving as the vehicle for implementation of the JOBS program in most of the state's jurisdictions. The City of Philadelphia was one of the original SPOC sites and continues the SPOC partnership under the JOBS program in Philadelphia.

Programmatic Coverage. In Philadelphia, the SPOC partnership includes the Philadelphia PIC, the Philadelphia county assistance office (CAO) and the Office of Employment Security (OES). The program links the three programs administered by these agencies: the JOBS portion of the Family Support Act; JTPA employment and training services; and the labor exchange services of the Job Service.

The Philadelphia SPOC program offers clients a two-tiered approach to training, which offers a broad mix of programs and services to meet the needs of both employers and clients.

The first tier is a pre-training or "feeder" program. It is a new design element in SPOC, added and administered by the Private Industry Council, that prepares participants for further education or occupational skills training. In addition to providing basic education, the programs help clients increase self-esteem, develop peer networks, set realistic employment goals, and acquire knowledge of the job market.

In the second tier of training, clients may participate in a variety of occupation-specific skills programs targeted to individuals reading at or above the 7th grade level, including "feeder" program graduates. In conjunction with job specific skills training, clients receive support services including individual/group counseling, peer support sessions, and life skills training.

Delivery System Changes. The key to the SPOC program's effectiveness lies in the collocation of services at single, convenient sites -- the local district welfare offices, effective case management and the two-tiered training system customized to meet client needs.

Collocating recruitment staff in all 19 of the city's district welfare offices, the Philadelphia SPOC partners created a one-stop shopping arrangement, allowing clients to receive, on-site recruitment, intake, case management, assessment, and referral services.

In Philadelphia, the county assistance office is the first point of referral for AFDC recipients. Here, collocated PIC and Job Service recruitment staff provide daily orientations concerning the available employment, training, placement, and related services to interested welfare clients.

Once recruited and interviewed, clients participate in a one-on-one interview and an in-depth computerized aptitude and interest assessment to best match each client with an appropriate feeder or occupational training program. This process is complemented by a case management approach to training that allows the SPOC partners, through their case managers, to identify the need for additional services, on an on-going basis, and to maintain a continuing relationship with the clients through referral, training, education, and other services and continuing through the placement and post job placement phases of the SPOC program. Based on its experience with case management in SPOC, the Philadelphia PIC has incorporated this approach into the programs it administers under JTPA.

CHAPTER IV

A MODEL FOR THE FUTURE: WORKFORCE INVESTMENT COUNCILS

It is clear from these examples -- all of them of recent vintage -- that many states and localities have recognized the urgency of their workforce problems and the inefficiency of a piecemeal approach to attacking these problems. In each case, they have made a start. They have begun laying the foundation for a future integrated workforce investment system. It is our hope that other communities will follow their example. While early efforts may be limited in scope -- in terms of programs covered and objectives shared -- it is important that they be guided by a vision of the system that is their eventual goal.

The President has proposed one approach to restructuring local delivery systems, Job Training 2000, that will require legislative action. In this section, we will suggest a similar model, towards which considerable progress can be made under current legislative authority and that couples delivery system reform with a broader role in the labor market: the development of a network of Workforce Investment Councils (WICs) overseeing comprehensive systems of workforce development in communities across the nation. Clearly, however the process proceeds, even under new federal legislation, it is likely that states and local areas will retain the discretion to exercise initiative and creativity in the design of their delivery systems. Models, such as the WICs, can be usefully adapted to meet such state and local needs and conditions, provided that they remain based -- as the WICs are -- upon the principles of ease of access, inclusiveness, public-private partnership, market responsiveness, and concerted action at all levels of government.

The features of the WIC model are not without precedent. They, in fact, represent a synthesis of the features of some of the more innovative efforts in this country and abroad, several of which are described in these pages. It is not expected that the WIC model will fit all local situations: some communities may aim higher, others will be less ambitious. However, as local areas become committed to making the best use of their financial resources and expertise in building a competitive work force, we believe that they will need to restructure their systems along the lines of some version of this model.

A Policy and Oversight Framework at the State Level

It is important to underscore the critical role of state government in building an effective workforce investment system at the local level. Public funds for investment in the work force -- whether vocational and technical education; JTPA; JOBS; vocational rehabilitation; the Employment Service; guaranteed student loans or other services -- although largely federal in origin, are virtually all administered, in some measure, by or through the states. Thus, the states, potentially, have substantial leverage to encourage and facilitate the coordination of these programs locally.

As indicated in Chapter II, several states have initiated the process of building a framework for a statewide workforce investment system. While each of these cases is unique, they share certain basic features: a reinvigorated, interagency planning process and a broad-based, public-private council to steer and monitor that process.

We believe that such a state framework is an essential component of a workforce investment system. The specific role of the state in this process may vary from one jurisdiction to another. In our WIC model, the state role would be substantive and far reaching. That role would consist of any or all of the following:

- Providing leadership by elected and appointed officials, particularly by the governor, by encouraging local action and serving as an example for localities through the establishment of a permanent state-level body to provide planning and oversight;
- Creating incentives to promote collaboration by rewarding communities that carry out effective coordination strategies;
- Setting parameters for local planning by specifying the local planning body, recognizing service boundaries or funding planning activities;
- Removing obstacles to collaboration posed by inconsistent and conflicting requirements and definitions across programs and delivery systems;
- Providing tools for data collection and reporting, and encouraging compatible data systems;
- Providing training and technical assistance to help communities overcome the barriers to collaboration; and
- In developing this state framework, seeking and utilizing the input of local level officials.

As in the case of some of the models we have cited, existing structures, such as the State Job Training Coordinating Council or the Vocational Education Advisory Council, can be adapted to serve as the lead agency in developing a state framework.

The Role of the Federal Government

While a workforce investment system will be locally-based and, within a state policy framework, locally-oriented, its establishment is in response to a compelling national priority: the need to rebuild America's work force. Thus, there is a basic federal role to be played in this process. An important first step has already been taken in this regard. With the announcement of the Job Training 2000 proposal, the Administration has focused the attention of state and local governments, business, labor and the community at large on the need to build a coherent workforce investment system in America. Under the

proposal, the federal government continues to play an important role in the operation of the system.

Similarly, under the WIC model, the federal government, as the primary source of program funds, would carry out a major oversight role. The Councils would be responsible for the administration of certain federal programs and thus would receive basic core funding from the federal government. However, in addition, Councils would be expected to carry out the more comprehensive role described in this section. Councils would also be expected to supplement federal funding with state, local, and private funds reflecting the broad scope of responsibility they have negotiated with agencies and organizations in their areas. Using its technical assistance and discretionary funding authority, the federal government would provide both the "seed money" and technical advice needed to encourage the Workforce Investment Councils to undertake this broader role in the community.

In addition to providing core funding, the federal government would, jointly with the nation's governors and business leadership, be expected to give highly visible support to the network of Workforce Investment Councils by actively promoting local employer, government, and community participation.

Workforce Investment Councils at the Local Level

While federal leadership and a supportive state policy framework are important elements of a successful workforce investment system, the key component of our model is the local Workforce Investment Council. Ideally, in our view, a network of WICs would serve every labor market area in America.

The WICs, when fully realized, would help overcome the inefficiencies of our current approach to the local administration of labor market programs. Both individuals seeking training and employment assistance and employers willing to hire school leavers and program graduates presently confront an institutional maze of individual recruitment, assessment and placement offices serving various, and frequently overlapping, groups of clients and employers. Workforce Investment Councils would negotiate and oversee the operation of an efficient, integrated system of service delivery.

At present, there is no single agency in the community that can energize and assist local employers in developing the high performance work organizations and internal training policies they will need to remain competitive in the economic environment of the 1990s and beyond. Workforce Investment Councils would fill this gap, serving as advocates and sources of technical assistance within the business community for decentralized work organizations and increased employer investment in employee training.

Similarly, there is no entity with ongoing responsibility to help shape the local business community's role in strengthening the public schools and in restructuring the process of school-to-work transition. Local Workforce Investment Councils would be in a position to analyze local needs and serve as brokers between business and the schools in helping to elevate standards and make the structural changes needed to assure that non-college bound youth are prepared to make the transition from school to work.

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Outlined below are the basic objectives and principal features of this new organizational entity and the system that would operate under its leadership.

Objectives of Workforce Investment Councils. The Councils' basic objectives would be to help assure that in their localities:

- Education and training programs are adequately preparing participants with the basic and occupational skills required in the labor market;
- High standards of performance have been established for these programs;
- Disparate services are linked and delivered as cohesive delivery systems; and
- The totality of both private and public efforts are adequate to meet the needs of the local economy.

Programmatic Coverage. The scope of the Councils' responsibility would be broad and inclusive. Optimally, in one way or another, the Councils should be in a position to impact upon all public and private education and training below the professional level in their communities. Through broad coverage, the Councils can be of maximum service by providing easier access to a wide array of services for youth and adults, reducing administrative costs for program managers, and providing a system with which employers can readily interact.

These potential areas of responsibility may be viewed in terms of three broad categories:

- Federal/state programs for which the PICs currently have responsibility and which could be readily reassigned to their successor Workforce Investment Councils;
- Other federal or federal/state programs for which the Councils could acquire responsibility administratively, through negotiation with state or other relevant agencies (or through amendment of federal or state legislation); and
- Initiatives designed to promote more active and informed business involvement in human resource development through partnerships with local school systems and, within their firms, through the adoption of high performance work organizations and related internal training policies.

The principal programs that could be readily transferred to the Councils' jurisdiction are the local employment and training programs authorized under JTPA and the operations of the Employment Service.

- Under the largest JTPA program, federal (Department of Labor) grants are provided, through the states, to more than 600 cities and counties to operate job training programs for economically

disadvantaged youth and adults in those localities. The program authorizes a full range of training and employment services and encourages coordination with other local human service agencies. A second JTPA program provides grants to the same localities to provide summer jobs and remedial services for school-age disadvantaged youth. The PICs presently have statutory authority for these programs in concert with locally-elected officials.

- The Employment Service (ES) is funded through federal (Department of Labor) grants to the states and provides placement and related labor exchange services through a network of 1,700 local ES offices. Under current law, local ES plans must be developed in consultation with and be approved by the PICs, with any disagreements ultimately resolved by the Secretary of Labor. Few PICs have made substantive use of this authority. It could be used more actively by Workforce Investment Councils to integrate labor exchange services into a broader local workforce development system.

There are a large number of federal and federal/state programs that would be logical components of comprehensive local workforce investment systems. Some are fully or primarily funded by the federal government. Others are funded primarily by the states with the federal government contributing a minority share. In all cases the services are delivered locally. For the Workforce Investment Council to be able to impact on these programs would require negotiated administrative arrangements between the Councils and the relevant state and local governments or private administering agencies. Among the programs in this category are:

- JTPA national programs to provide training and employment services to specific target groups: Indians and Native Americans; migratory and seasonal farmworkers; older workers; and severely disadvantaged youth through residential Job Corps centers. All of these programs are administered through federal contracts or grants with specific specialized organizations.

- JTPA grants to the states to provide retraining services for dislocated workers. These grants are administered by substate grantees designated by the governors under agreements with the locally-elected officials and PICs of those areas. However, while the grantee may be the local PIC, that is not currently mandated in the law.

- Job Opportunities and Basic Skills Program. JOBS is a comprehensive program designed to provide recipients of federal Aid to Families with Dependent Children (AFDC) with education and training services that will enable them to achieve self-sufficiency. It is funded through federal (Department of Health and Human Services) grants to the states and is administered locally by state or county welfare agencies. The legislation requires that the PICs be consulted by state and local welfare agencies in selecting service providers and in identifying appropriate training and job opportunities in the area. In some states, such as Maryland, a decision has been made to administer

JOBS through the JTPA system thus placing the PICs in a key position to link the program with JTPA and other services.

- Vocational Rehabilitation. A program of federal (Department of Education) grants to the states to provide training, counseling, rehabilitation and related services for disabled individuals to enable them to become employable. It is administered locally through state and local rehabilitation agencies.

- Vocational Education. Vocational education, like education generally, is funded and administered by states and local jurisdictions. The federal government (Department of Education) provides grants to the states and local education agencies that are designed to improve vocational education for specific groups, such as the disadvantaged, the disabled, and individuals with limited English proficiency, who face special barriers in the job market. While federal grants represent only about 10 percent of total vocational education funding, these funds can be used to leverage change at the local level. As in the case of the welfare JOBS program, the PICs already have a statutory role to play in this program. Federal vocational education legislation -- the Carl D. Perkins Vocational and Applied Technology Education Act of 1990 -- requires that cooperative arrangements be established between local education agencies and the PICs to avoid duplication and to increase the accessibility of vocational education services.

- Adult Basic Education. This program of federal (Department of Education) grants to the states provides support for adult literacy and basic skills programs. It is administered through local education agencies and other organizations that provide literacy training.

- Student Financial Assistance. Under the Pell grant and Guaranteed Student Loan and related loan programs, the federal government (Department of Education) provides financial assistance to eligible students to enable them to attend postsecondary institutions, including enrollment in occupational training programs in private proprietary schools and community colleges. Participating schools are currently subject to a three-part regulatory structure -- private accreditation/state licensing/federal eligibility certification -- that both the Administration and members of Congress have viewed as less than fully effective. The Councils could strengthen this process, if given the administrative authority to review and certify schools' training programs for student financial assistance. However, this would require a change in current federal education policy and new federal legislation.

These federal programs would give the Workforce Investment Councils an impressive array of tools to address the needs of those individuals in the local population with serious education and skills deficiencies, particularly the economically disadvantaged, the long-term unemployed and others facing special barriers in the labor market. However, the gaps we face in building a high performance work force pervade the entire labor market. Through the Councils, local business leadership would take the initiative to structure local

solutions to the problems confronting our mainstream workforce. For example, the Councils could be the vehicle for stimulating action and orchestrating resources to carry out initiatives such as the following:

- To help close the local education gap, the Councils would be the vehicle for orchestrating business' relationship with the schools in their areas. Their role would vary depending upon the needs of each locality. The Councils would be in a unique position to analyze those needs and help shape an appropriate response from the business community. This response might involve: serving as advocates for school reform; communicating the need for change; lending their expertise to the schools; providing financial assistance; and encouraging their employees to serve as volunteers in the schools. The Councils -- which would have representatives from education as well as business -- would serve as intermediaries between employers and the schools in negotiating the development of apprenticeships and other transitional arrangements needed to assure that non-college bound youth are adequately prepared to make the transition from school to work.

- The Councils would be advocates in the community for the concept of lifelong learning, making the case to employers as well as to workers that a continuing investment in training is essential for their mutual economic survival and, through the Councils, effecting the necessary linkages between employers, workers and local educational institutions such as community colleges, vocational technical institutes and private proprietary schools. The Councils would extend their advocacy to the way firms organize their work processes, urging that, where appropriate, employers move toward decentralized, high performance work organizations. Indeed, the concepts of life long learning investment and building a high performance work organization are integrally related.

The length of this inventory of possible programs and initiatives that would be within the Councils' scope of responsibility is somewhat arbitrary. The list could be longer or shorter. However, to the extent that a Council has a wide range of resources at its disposal, it will be able to more effectively meet the needs of the local labor market. We would, therefore, opt for inclusiveness rather than narrowing the Councils' scope of operation.

Functions. It is anticipated that the Councils' functional responsibilities would vary by locality and by program, with some functions mandated by legislation and others acquired through local negotiations.

The roles and functions of a Workforce Investment Council are outlined in Chart B (page 38).

The Councils would have direct programmatic responsibility for certain activities, such as JTPA training of disadvantaged youth and adults and the operation of the labor exchange services of the Employment Service. For other programs, they may have a program review or other advisory role. For still others, the role may extend to setting of program or curriculum standards. But, for all federal-state and non-governmental employment, training and employment-oriented education programs, the Councils' functions

would include negotiating and overseeing the operation of an efficient, integrated system of service delivery that would be characterized by:

- A common point or points of intake;
- Individualized assessment to determine the appropriate range of services needed by clients;
- Some form of case management to see participants successfully through the system; and
- A common system of placement which employers could readily access.

In carrying out initiatives focused on business' links with local school systems and firms' training policies, the Councils would serve as advocate, communicator and, where requested, provider of technical assistance.

CHART B

WORKFORCE INVESTMENT COUNCILS
Roles and Functions *

PROGRAM	FUNCTIONS: Provide labor market information	Review, incorporate individual plans into area-wide plans	Develop, oversee integrated employment /training delivery system	Direct program responsibility	Promote, assist with training & technical assistance	Certify for federal and state training assistance
JTPA youth, adult training	●	●	●	●		●
Other JTPA programs	●	●	●			●
Employment service	●	●	●	●		●
JOBS welfare training	●	●	●			
Vocational education	●	●	●			
Adult basic education	●	●	●			●
Private proprietary schools	●	●				●
Community colleges	●	●				●
Economic development agencies	●	●				
School-to-work and other business-education collaboration	●	●			●	●
Firms' internal work organization & training	●				●	

* *The councils will for the most part negotiate their scope of functional responsibility locally. The functional distribution presented here represents a comprehensive arrangement; the actual range of functions will vary from one council to another.*

Cross-cutting and undergirding all these functions, the Councils would be the source of labor market and career information in the community. This information would also serve as the basis for devising an overall workforce development plan for the local area that would set priorities, articulate performance goals, and guide the planning for each of the program services provided within the community.

Evolution from Private Industry Councils. The PICs are the logical starting point for the development of local Workforce Investment Councils. Conceptually, the Workforce Investment Councils may be viewed as the next stage in the evolution of the PICs. Indeed, many PICs are already carrying out some of the functions, beyond JTPA administration, envisioned for the Councils. In most communities, it is anticipated that the structure of the PICs would be adapted so that they could operate, as Workforce Investment Councils, in a broader policy and program arena. However, some localities may decide to establish totally new organizations for this purpose.

While, eventually, new federal legislation may be desirable to formalize the transition from PICs to Workforce Investment Councils, the scenario envisioned here is that the PICs would broaden their role in the community largely through an evolutionary process, negotiating new administrative arrangements with existing agencies, schools, and employers under current statutory authority.

The philosophy underlying the membership of the Workforce Investment Councils would be the same as the original rationale for the composition of the PICs. As the primary consumers of the product of the local education and training systems, private employers would chair the councils and constitute the majority of the Councils' membership. The Councils would also include the principal service providers in the locality -- the heads of the local education agencies, community colleges, public and private training organizations, and the Employment Service -- as well as representatives of labor and community organizations.

CHAPTER V

GREAT BRITAIN'S NEW WORKFORCE INVESTMENT SYSTEM: TRAINING AND ENTERPRISE COUNCILS

Other industrialized nations have long standing policies of administering their labor market programs through networks of local public-private boards or councils. Sweden's system of county labor market boards, and the regional councils of Germany's Federal Employment Agency are two examples. One of the most recent and ambitious initiatives has been undertaken by Great Britain with the establishment of a national system of Training and Enterprise Councils (TECs). This foreign model is the one that is the most analogous to our proposal for Workforce Investment Councils outlined in Chapter IV.

In a historic change in the management of its employment and training programs, Great Britain in 1988 shifted responsibility for the planning and delivery of these youth and adult programs from the government to a new system of local business-led TECs. In addition, the TECs were charged with broad responsibility for promoting training of employed workers and assisting in small business development. This radical transformation in the governance structure from a centralized, government administered series of independent programs to locally-based, private sector-managed integrated systems reflected a business-government consensus about the critical importance of the nation's investment in its human capital. As the government White Paper Employment for the 1990s indicated in establishing the TECs:

> By any measure there is a need for radical reform of our training system. We need to recognize the commercial necessity of reskilling people, and the central importance of linking training plans with business plans. What is now needed is a new framework for training and enterprise....The Government's aim is to promote, in a new partnership with employers, the establishment of such a training system - one which will be capable of contributing much more effectively to Britain's international competitive success. The aim must be to facilitate access to relevant training and vocational education throughout working life for every member of the workforce, at every level from entry to top management.

All of the country's 82 TECs were fully operational at the end of 1991, two years ahead of schedule. Two of the guiding principles of the TECs are that they must have a local focus and be business-led. The initiative for the creation of a TEC must come from the local community. Initial applications and, subsequently, detailed business plans were submitted by local business and community leadership for approval by both the Secretary of State for Employment, acting for the government, and a National Training Task Force representing the nation's business leaders.

TECs are clearly under the aegis of local business -- at least two-thirds of a TEC's board of directors, including the chairperson, must be from the private sector -- and, to assure the quality of that membership, the business members must be either the chairpersons or chief executives of their firms or,

in the case of major companies, the top operational local manager. The remaining TEC members may be chief executives of local labor, education, volunteer, or other organizations.

The scope of the TECs' responsibility is impressive. They are responsible for all public training and related programs and have broad flexibility to integrate these programs into coherent plans of action designed to meet local needs. In addition, the TECs are further encouraged to go beyond existing government programs to meet the community's broader training and business development requirements. Specifically, the TECs are charged with and given program responsibility for:

- Examining the local labor market, assessing key skill needs, prospects for expanded job growth and the adequacy of existing training opportunities;
- Drawing up a plan, with measurable objectives, to provide or secure quality training and enterprise development to meet these needs;
- Under the plan, tailoring and managing government training programs for young people, for the unemployed and for individuals needing technical retraining;
- Providing training, technical counseling, and other support to strengthen small businesses, and assisting individuals, including the unemployed, in establishing small firms;
- Promoting increased private sector investment in training and other enterprise activities designed to strengthen the local skill base and ensuring that the public investment in education and training complements the training provided by local employers; and
- Serving as a bridge between the local business community and local education institutions to ensure that both program content and the caliber of instruction are responsive to the needs of employers and students.

Basic funding is provided by the government under performance contracts with the TECs. As independent companies, TECs have the authority and are encouraged to raise and receive additional public and private funds to widen the scope of their operations.

Britain's launching of the TECs represents a basic rethinking of how that country's investment in training should be managed. The magnitude of that change was summed up by Prime Minister Thatcher when she inaugurated the new system:

> Training is a shared responsibility. And it is one where business must be in the lead. It is you who have the know-how. It is you who are the world beaters in world markets. It is you who will create the products and the jobs of tomorrow. So the Government is now handing over to you, business leaders and your local partners in the community, the main responsibility for training men and women for the tasks of the 21st century.

CONCLUSION

Our point of departure in this paper was the challenge posed by the Commission on the Skills of the American Work Force in the title of its landmark study: ***America's Choice: High Skills or Low Wages.*** We believe that the choice for our society is as clear as it is urgent. Our work force must be prepared to engage our economic competitors at an unprecedented level of skill and performance.

To achieve this goal, additional public expenditures for education and training may be warranted. But this is not a brief for higher appropriations. We contend that the substantial resources already being invested in our work force can be expended far more efficiently than they are at present. The political process, through the years, has yielded a multiplicity of programs, separately funded, separately administered and with varying, but frequently similar, purposes and clientele. We lack a system for integrating these resources at the local level so that they can be readily accessed by potential trainees and the employers who may wish to hire them. We lack a system for linking these public expenditures for work-related education and training with the requirements of employers. Most importantly, we lack a system that will enable communities -- employers, unions, the schools and the general public -- to set the goals and priorities that will guide the investment of resources in the work force of their localities.

In this paper, we have argued that we cannot respond meaningfully to the "high skills or low wages" challenge in the absence of a workforce investment system in each state and local area in our country. As we have illustrated, a number of states and localities have reached this conclusion and are in the process of building such systems. In other industrialized countries systems are already in place. Each of these initiatives reflects, in some degree, the basic principles, noted at the beginning of this paper, that we feel should guide the building of a comprehensive workplace investment system in each of our states and localities.

We have proposed one model that is based on these principles and that we think is attainable and appropriate for American labor markets. Our purpose, however, is not to prescribe a single formula for all communities. Rather, it is to urge that business, government, educators, and citizens at the state and local levels begin the process of system-building as a matter of high priority. The competitive pressures of the world marketplace on our employers and workers will not await new federal legislation or the solution of our budget problems. It is imperative that we make more efficient and purposeful use of the resources at our disposal under current legislation.

Building a state and local workforce investment system will be a difficult process. Legal, administrative, and political barriers will have to be overcome. However, these problems can be solved with strong leadership at the federal and state levels and the active support and involvement of business, education, and the community at large.

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